

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> May 8, 2017
	<b>Agenda Item No.</b> 22 <b>Roll Call No.</b> <u>17-756</u> <b>Communication No.</b> <u>17-396</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

**AGENDA HEADING:**

Authorizing request to purchase 2015 tax sale certificate from the current holder and to request the Polk County Treasurer assign the 2017 tax sale certificate to the City of Des Moines for acquisition of property through the tax sale process by City of Des Moines or by assignment of tax sale certificate to a housing developer.

**SYNOPSIS:**

- On March 9, 2015 by Roll Call No. 15-0463, the City Council, determined the property at 1637 Huntland Drive was a public nuisance.
- Because of the strong housing market, the house could be rehabilitated for single-family owner-occupied housing if a developer could obtain clear title.
- The property has an outstanding 2015 tax sale certificate which the City can purchase and the City will also request that the Polk County Treasurer assign the 2017 certificate to the City in the upcoming June 19, 2017 tax sale for acquisition and rehabilitation of housing.

**FISCAL IMPACT:**

Amount: \$12,889.60 to purchase 2015 tax sale certificate

Funding Source: 2017-18 Operating Budget Page Community Development Department -57 Special Revenue Funds Nongrant S060 CD046000

**ADDITIONAL INFORMATION:**

- The house is located within the neighborhood area shared between the Beaverdale and Drake Neighborhoods.
- The current tax sale holder BB Equity, LLC (Dr. Brian Kay, 2001 25<sup>th</sup> Street South, Saint Cloud MN 56301) is willing to assign the outstanding tax sale certificate to the City of Des Moines for his costs of \$12,889.60.
- The current title holder did not respond to notifications of the public nuisance actions; however, it is possible he could redeem the tax sale certificate and render the City’s action moot.
- The current mortgage holder, Nation Star Mortgage, LLC, did not respond to notifications of the public nuisance actions; however, it is possible the mortgage company could redeem the tax sale certificate and render the City’s action moot.



- The City will begin the process to take ownership of the property at such time as the tax sale certificate is received by the City. This will involve obtaining a title certificate, notifying all entities or individuals with an interest in the property, publishing notice in the paper, and posting the site that the City intends to take tax deed.
- If the City is able to take tax deed, a request for proposal (RFP) will be distributed and the developer will be required to repay the City its direct costs.

**PREVIOUS COUNCIL ACTION(S):**

Date: March 9, 2015

Roll Call Number: [15-0463](#)

Action: Approving the Legal Department to proceed with court action seeking authority to abate the public nuisances at the following locations:

- (B) [1637](#) Huntland Drive, main structure; Titleholder: David R. Nichols; Mortgage Holder: Bank of America, NA. Moved by Gray to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Set date of public hearing on conveyance of property.

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